



The object of this note is to review and assess the different ways in which the work at UNFPA contributes to poverty reduction and thus to the fulfillment of the first Millennium Development Goal (MDG). Its intended uses are: 1) To help Country Offices in arguing the potential role of UNFPA in poverty reduction, for the purpose of inter-agency processes and UNFPA's participation in national PRSs; 2) To clarify the role of UNFPA in this regard for the purpose of programme formulation

# Impacts

*of population dynamics  
reproductive health  
and gender  
on poverty*



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# **Impacts of Population Dynamics, Reproductive Health and Gender on Poverty**



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## Foreword

The subject of this publication has a long history in the population debate. How population dynamics influence the accumulation of wealth and thereby reduce or increase poverty has been discussed at least as long back as the mercantilist tradition and later the classical economists. But the way in which the issue has been framed has often been rather limited, without a clear distinction between aggregate economic growth and their effects on individual living standards, and without looking at the non-monetary components of poverty. The Millennium Development Goals (MDG) Agenda constitutes an integrated strategy to eradicate poverty, in the wider sense of providing decent minimum living standards and social services to all, rather than just providing a minimum income. To this end, the traditional poverty reduction targets specified in the first Goal have been complemented by seven other Goals, each of them geared towards a particular dimension of the quality of life. It can be said, therefore, that any contribution towards the improvement of any of the Millennium Goals will help to reduce poverty, in the wider sense of the word.

The characteristic of the MDG Agenda of being an integrated approach to poverty reduction also requires that there should be conceptual clarity on how the different goals work together and reinforce each other. The reproductive health goal (MDG 5) in particular is often challenged to explain its linkages to other parts of the MDG agenda, such as the conventional poverty targets in MDG 1. The goal of gender equity (MDG 3) too needs to be explicitly linked to poverty reduction objectives. In addition, there is a need to understand how each of these linkages is affected by demographic processes such as fertility decline, changing age structures, rates of urbanization and internal as well as international migration.

The objective of this publication is to analyze in detail how the different components of the UNFPA mandate jointly contribute to the goal of poverty reduction (MDG 1) and how different population processes affect them. To this end, it looks at linkages at the micro level, which directly affect households and individuals, and at the macro level, involving relationships between larger processes that may affect individuals and households only indirectly. In particular, it looks at population processes that are contextual, such as ageing. For the most part they cannot be directly affected by policy, but need to be taken into account (and often aren't!) in the design of effective poverty reduction strategies.

One of the main conclusions of the document is that the strength of UNFPA's contribution to poverty reduction resides in the complementarities of different interventions and the synergies by which population dynamics, gender equality and reproductive health impact on poverty reduction. In its last section, the document tries to provide a vision on how these different elements can be combined at the country level, in order to achieve an integrated intervention strategy for UNFPA country offices and their national partners.

This document was developed by the Population and Development Branch, with the support and contributions of other parts of the Technical Division, the Programme Division and selected UNFPA Country Representatives. All of these contributions are gratefully acknowledged and it is hoped that the result may help to fill the lacuna, felt already for some time, of linking reproductive health explicitly with actions leading to poverty reduction.

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# IMPACTS OF POPULATION DYNAMICS, REPRODUCTIVE HEALTH AND GENDER ON POVERTY

## 1. INTRODUCTION

### 1.1. POVERTY, ICPD AND THE MDGS

The object of this note is to review and assess the different ways in which the work at UNFPA contributes to poverty reduction and thus to the fulfillment of the first Millennium Development Goal (MDG). Its intended uses are: 1) To help Country Offices in arguing the potential role of UNFPA in poverty reduction, for the purpose of inter-agency processes<sup>i</sup> and UNFPA's participation in national poverty reduction strategies (PRSs); 2) To clarify the role of UNFPA in this regard for the purpose of programme formulation; and 3) To shed some light on the assessment of poverty impacts of programmatic actions within the UNFPA mandate. UNFPA is the only UN agency with a mandate for intervention in the area of population, implying that it is the agency best placed to address the many ways by which population dynamics and structure condition poverty at the macro level, as will be demonstrated later in this paper. In addition, it promotes several interventions which help to reduce poverty at the household level. Since the 1994 International Conference on Population and Development ([ICPD](#)) in Cairo, UNFPA's work has been guided by the Programme of Action (PoA) adopted there. The close links between sustainable development, Sexual and Reproductive Health (SRH) and gender equality affirmed in that Programme have guided UNFPA's overall priorities. This triple institutional pivot constitutes the core of UNFPA's current agenda.

The MDGs have provided additional focus on poverty reduction strategies, which should not only raise the living standards of the poor, but also protect the non-poor against the risk of falling into poverty. The Millennium Declaration, like the agenda established at the ICPD and the associated goals, is characterized by a holistic approach to development and poverty reduction, and since the Millennium Summit in 2005 its quantitative Goals and Objectives are now largely consonant and harmonized with the ICPD PoA. Together they guide UNFPA's vision and action. UNFPA is committed, within its comparative advantage in the One UN System, to contribute to development and poverty reduction efforts, particularly in the least developed countries. To this end, UNFPA is constantly seeking to further increase the effectiveness of its contributions to internationally agreed development goals through actions such as guaranteeing the right to essential services which make a difference in the quality of life of individuals and households.

Although this paper cannot dissociate itself entirely from the more obvious role that UNFPA plays in poverty reduction in the wider sense, through Millennium Development Goals 3, 4, 5 and 6, its focus is primarily on poverty in the more restricted sense of MDG 1. This first goal of the MDG framework, Eradicate Extreme Poverty and Hunger, is made up of 3 targets: (I.A) Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day; (I.B) Achieve full and productive employment and decent work for all, including women and young people; (I.C) Halve the proportion of people who suffer from hunger. According to the Secretary General's latest MDG Report, for 2009, the first and the most widely publicized of

these indicators has fallen from 42% in 1990 to 25% in 2005, in the developing world as a whole, suggesting that at the aggregate level the target will be met. Progress has been uneven though, with the largest advances taking place in Eastern Asia (60% to 16%) and Southeastern Asia (39% to 19%), which have already surpassed the 2015 goal, slow progress in Sub-Saharan Africa (57% to 51%), which is unlikely to attain the goal, and a deterioration in Western Asia and Commonwealth of Independent States (CIS). Moreover, the Report cautions that the current global economic crisis may derail progress against poverty.

## 1.2. CONCEPTUAL ISSUES REGARDING POVERTY REDUCTION AND THE ATTAINMENT OF MDG 1

The MDG agenda, in its totality, can be and has been considered a poverty reduction strategy, in which the rise of household income has been reconciled with the wider notion of poverty reduction in terms of concrete improvements of essential components of the quality of life. The former is essentially reflected in MDG 1 and the latter in MDGs 2-7. Although MDGs 2-7 complement and interact with MDG 1, they cannot substitute it. Yet, it is important that all the different Goals move forward together, in a balanced way. Whatever may be the value of health and education in a broader poverty and development perspective, one does not want to create a situation in which most people are healthy and highly educated, but poor in terms of income. UNFPA is making many direct contributions to MDGs 2-7, particularly to MDGs 5, 6, 3, and 4, in that order, and in doing so the agency can be said to contribute directly to poverty reduction, in the wider sense. Arguably, UNFPA is also in a position to make a major contribution to MDG 1, in a manner that is both decisive and sustainable, but in this case its role is more indirect (because it mostly passes through MDGs 2-7) and long-term (because many poverty impacts of population interventions take time to mature).

The reduction of poverty, as formulated in MDG 1, has its own value, beyond what is already being done under the other Goals. Hence, contributions towards the achievement of MDG 1 should not be mere restatements of contributions already accounted for elsewhere. If MDG 1 were simply a summarized restatement of the achievements under the other Goals, it would have no reason to exist as a separate Goal. In order to demonstrate any specific impacts on MDG 1, these also have to be formulated in line with the conceptualization of MDG 1 itself. As it is, the three targets of MDG 1 are formulated in terms of income, employment, and nutrition levels, none of which are issues that UNFPA, with its current mandate, can affect directly. It has been argued that, rather than using monetary poverty<sup>ii</sup> as the main criterion for the assessment of Target I.A, it would be more consistent with UNFPA's mandate to focus on a different poverty concept, particularly on capabilities.<sup>iii</sup> Unfortunately, there exists a lot of confusion regarding the capability concept, which is often erroneously equated with concepts such as “educational achievement”, “skills”, “health status”, and “human capital” (see Box 1).<sup>iv</sup>

### **Box 1: Poverty and the capabilities approach**

The capability approach distinguishes between three levels of conceptualization of poverty: the resource level (income, rights, and entitlements), an intermediate level of “capabilities”, and the level of so-called “functionings”, i.e. actual results in terms of the different elements of the quality of life that individuals may aspire to: health, education, material comfort, quality of the environment, political participation, dignity and respect, etc. Capabilities are defined as the set of *possible* functionings from which an individual can choose. The traditional poverty concept, which defines poverty at the resource level, is limited in two ways. First, by defining resources purely in terms of monetary income, it uses too restricted a criterion for resources that does not include rights of access to goods and services or discriminatory practices that restrict such access. Secondly, the traditional poverty concept does not consider the fact that different individuals may make different use of their available resources to create capabilities; this is called “conversion” in the capability approach. For instance, a disabled individual may require more resources to attain a given set of capabilities than an individual without disabilities.

Poverty, in the strict sense of MDG 1, has to be assessed in terms of capabilities, rather than functionings. Improvement of an individual’s functionings in a limited number of areas (e.g. health and education) does *not* necessarily mean that his/her capabilities have increased. It may be that the individual has simply changed his/her preference in the choice of functionings from his/her set of capabilities. Or it may be that the set of capabilities itself has changed, creating more opportunities for choice in some areas, at the cost of others. Only if an intervention widens the set of capabilities of an individual, in such a way that new options are added, without giving up any of the previous ones, can the individual truly be said to have become less poor. The capability approach does not provide any clear guidance on how to assess the change in poverty status of an individual if some previously available options are eliminated in favour of new ones.

Apart from its admittedly somewhat confusing terminology, the application of the capability approach is hindered by the difficulty of actually mapping the capability sets of individuals. This has led to a tendency – despite what was said in the previous paragraph - to define poverty in terms of functionings (e.g. in the Human Development Index). While this is largely acceptable in the case of MDGs 2-7, it is not a viable solution for the assessment of MDG 1. That is one of the reasons why income/consumption has remained the main indicator for MDG 1.A. Despite its known limitations, it is much easier to measure than the rather elusive capability set. By and large, the present paper also defines poverty in these terms, although it does adopt a few of the elements characteristic of the capability approach, namely:

1. Making explicit reference to the conversion concept;
2. Recognizing the triple role of education: as a goal in itself (functioning), as a generator of resources (human capital), and as an accessory in the conversion process that allows individuals to generate more capabilities from a given resource set; and
3. Widening the concept of resources, to include not only monetary income, but also rights and other entitlements.

Defining poverty by income or consumption has several practical advantages. One is the (relative) ease of measurement, which enables policy makers not only to monitor trends in poverty but also empirically examine the poverty impact of alternative policies. Another advantage is the fact that money can substitute many (though not all) other resources to satisfy individual needs and priorities, so that individuals or families themselves can decide what are

their greatest needs. For example, providing free access (e.g. through RH vouchers) to family planning benefits women who are sexually active and want to regulate their fertility, but it does not bring any gain to those who are not sexually active or do not want to regulate their fertility, but who might want to spend an equivalent amount on resources to improve their housing infrastructure. There are, however, limits to what money can buy. For example, if countries do not have sufficient schools, or they discriminate against minorities, household income may not be sufficient to ensure schooling. For household income to translate into poverty reduction, it must be complemented by a set of other resources, including physical infrastructure (e.g. schools) and legal frameworks (e.g. non-discrimination). Furthermore, it is important to recognize that for example disabled persons may require more income to attain the same health and education than persons without disabilities. The capabilities approach does not per se challenge the concept of monetary poverty, but it points out these shortcomings. It highlights that income is only one amongst other resources that are needed, and that the resources and income which is needed may differ from person to person.

While the promotion of better health and interventions oriented towards poverty reduction will often be overlapping, they are conceptually distinct. Therefore, some additional criteria need to be considered when assessing the poverty impact of providing services or extending rights:

1. Relevance of the service to people living in poverty. Not all services provided or rights granted are equally useful to everybody. Free access to family planning and free access to gym facilities are both services that enhance people's health capabilities. But the first is likely to be more useful to the poor than the second, which will probably be more beneficial to middle-class persons, who could otherwise acquire this service with their own means. The argument is frequently made with respect to the prevention of maternal mortality, which is a vastly greater benefit to the poor than to the non-poor (1).<sup>v</sup>
2. Consumption versus investment: While all services that reach the poor enhance some capability, some do this only in a very immediate way, as consumption (e.g. providing a free meal in a soup kitchen), whereas others (e.g. providing vocational training for disadvantaged teenagers) are mostly investments in the future. Family planning and SRH services have a bit of both as they attend to an immediate need (enabling women to have a safe delivery or avoid an undesired pregnancy), but they also have long-term consequences that are better thought of as investments, e.g. because they produce healthier children that will be more productive in the future and because they reduce the dependency ratio of the household.
3. The overall impact of the actions: Some interventions are highly relevant from the viewpoint of health (e.g. in terms of DALYs), but have only a limited poverty impact. From a health perspective, for instance, the death of a child shortly after birth carries a higher cost than that of a male aged 50, due to the smaller number of potential years of life lost. But if the question is which death is likely to have a larger impact on poverty – including the dependents that the 50-year old male may support – the calculus is distinct. Some singular impacts that are central to UNFPA's mandate, such as those of pregnancy-related mortality and morbidity on the overall well-being of households, apart from being hard to demonstrate empirically, can account for only a very small fraction of current

poverty levels.<sup>vi</sup> Others, which are less important from the viewpoint of health, such as reducing the dependency ratio of households, may have significant poverty impacts.

All this serves to make the basic point that while UNFPA's actions on MDG 1 tend to be linked to its role in the wider MDG agenda, the ways in which these contributions must be evaluated is specific to MDG 1 and may involve other criteria than those used for the evaluation of the impacts on the other MDGs through which they operate.

### 1.3. CHALLENGES AND OPPORTUNITIES FOR A UNFPA AGENDA ON POVERTY REDUCTION

In view of the above, assessing the actual impact of UNFPA's actions on poverty reduction presents a number of challenges. UNFPA does not have a clear institutional role in many of the policy interventions that are most directly linked to poverty reduction. While the ICPD pioneered the introduction of an explicit poverty focus, its operationalization in the PoA is mostly organized around other issues and its chapter on "Population, sustained economic growth and poverty" only establishes very broad associations, which are concerned as much with poverty as a context for population and RH interventions as with the fact that such interventions will help reduce poverty.<sup>vii</sup> Among the many, mostly indirect effects of population and SRH interventions on the different aspects of quality of life, the evidence regarding overall effects on household income and consequently poverty is the least abundant (2). Many of these effects involve choices that are simultaneously determined, making it difficult to attribute cause-effect relationships. Another problem particular to population is that it deals with slow, long-term, cumulative processes that do not fit easily in the relatively short time frames of policies or even the MDGs.<sup>viii</sup>

All of these circumstances lead to a characterization of the role of population factors in poverty reduction as indirect and long-term. That does not mean that they are unimportant. Direct effects act on the very components that define poverty, namely income or consumption. By contrast, indirect effects act on the ability to earn income or raise consumption. Social transfers or employment, for example, have a direct effect on household income, whereas human health and education have only an indirect effect. This is because while health and education may be necessary conditions to get a job and earn an income, neither health nor education will inevitably lead to this result. Indirect effects may be large, but they are mediated by a chain of processes whose outcomes have to be assessed empirically. The provision of free-of-charge family planning services, for example, has a small direct effect on household income, but a potentially much larger indirect effect through the different opportunities it creates for household members to actively participate in economic, political, social and cultural life.

This indirectness of the impacts can be reinforced by the way the arguments are presented. For example, presenting the contribution of SRH interventions in terms of overall costs saved to society, as in *Adding it up* (4) or in study (3) mentioned above, undoubtedly has certain advantages from the advocacy viewpoint, but does not necessarily mean that poverty is being reduced. Poverty is about the living conditions of individuals and households, not with the overall economic costs and benefits of programmes for societies and governments; a dollar saved in the budget of the Ministry of Health has very different poverty implications from a dollar

saved in the budget of a poor household. The societal burden of inadequate SRH on society is certainly a factor that *can* contribute to poverty, depending on how the costs or savings are socially distributed, and the argument that the costs saved in this manner *may* be employed in ways that reduce poverty certainly has merit, particularly in the context of perennial crisis, conflicts and other humanitarian situations that erode governability and limit the creation of institutions needed to promote development. The connection, however, is indirect and conditional and depends greatly on the quality of governance in the country.

Of course, the indirectness of effects is not unique to UNFPA. Some well-established strategies for poverty reduction employed by other agencies go beyond the evidence that supports their efficacy. Under the terms of the Paris declaration, all UN agencies are supposed to work mostly at the policy/macro levels and of course attribution will be difficult among so many other development actors. Regarding the time frame of interventions, one may well argue that to combat poverty, there is a need to adopt long term approaches. Direct income transfers may be effective in the short run, but in the long run there is a need for strategies promoting structural change. UNFPA may be too shy while dealing with poverty and this results in insufficient recognition of its actual role. UNFPA's indirect actions should, therefore, be more valued and better marketed. If their impact may not be easily perceived in the short term, within the long term they should. To this end, it is important that UNFPA work with other agencies, with more traditional roles in poverty reduction strategies, such as ILO (e.g. in promoting the social floor), so as to avoid fragmentation and provide an integrated package of responses.

The strength of UNFPA's contribution to poverty reduction does not reside in the strength of any singular population, gender or SRH intervention, but rather in the multiplicity of mechanisms, direct and indirect, and the synergies by which these interventions have impact on poverty. What is needed is a concerted effort to restate UNFPA's mandate in a way that will bear out the actual ways and degrees to which its actions help to reduce the poverty of the populations it serves.

## **2. POPULATION-POVERTY LINKAGES: A BACKGROUND FOR ACTION**

As a general backdrop the discussion of programmatic impacts on poverty, it may be useful to refer to the article by Eastwood and Lipton (23), in which they point out that all interventions have to pass through one of three general mechanisms:

1. The promotion of economic growth, to increase the total volume of resources available to the population;
2. The promotion of a better distribution of income and access to services or other components of the quality of life; and
3. The promotion of a more efficient use of resources to attain the capabilities (choices) which ultimately determine whether a person is poor or not, i.e. "conversion", in the language of the capability approach.

While the first mechanism is generally understood, the second and particularly the third are not always fully appreciated.

Poverty must be combated in all countries alike. However, in countries where poverty is particularly widespread and generalized poverty reduction is a particularly serious challenge, as poverty does not only undermine the abilities of individuals and households but the ability to respond to challenges of entire societies and States. Whereas redistributive policies can go a long way in reducing poverty in more advanced economies, their effectiveness is constrained by low per capita income in the least developed economies. In least developed countries it is therefore particularly important to integrate economic growth with social policies to reduce poverty. Furthermore, in many least developed countries poverty reduction is further hampered by the fact that poverty is part of a set of complex processes involving perennial crisis, conflicts and other humanitarian situations that erode governability and limit the creation of institutions needed to make development a real possibility.<sup>ix</sup> In this sense, the argument on the previous page, about savings to the government budget which ultimately end up reducing poverty, may have some merit.

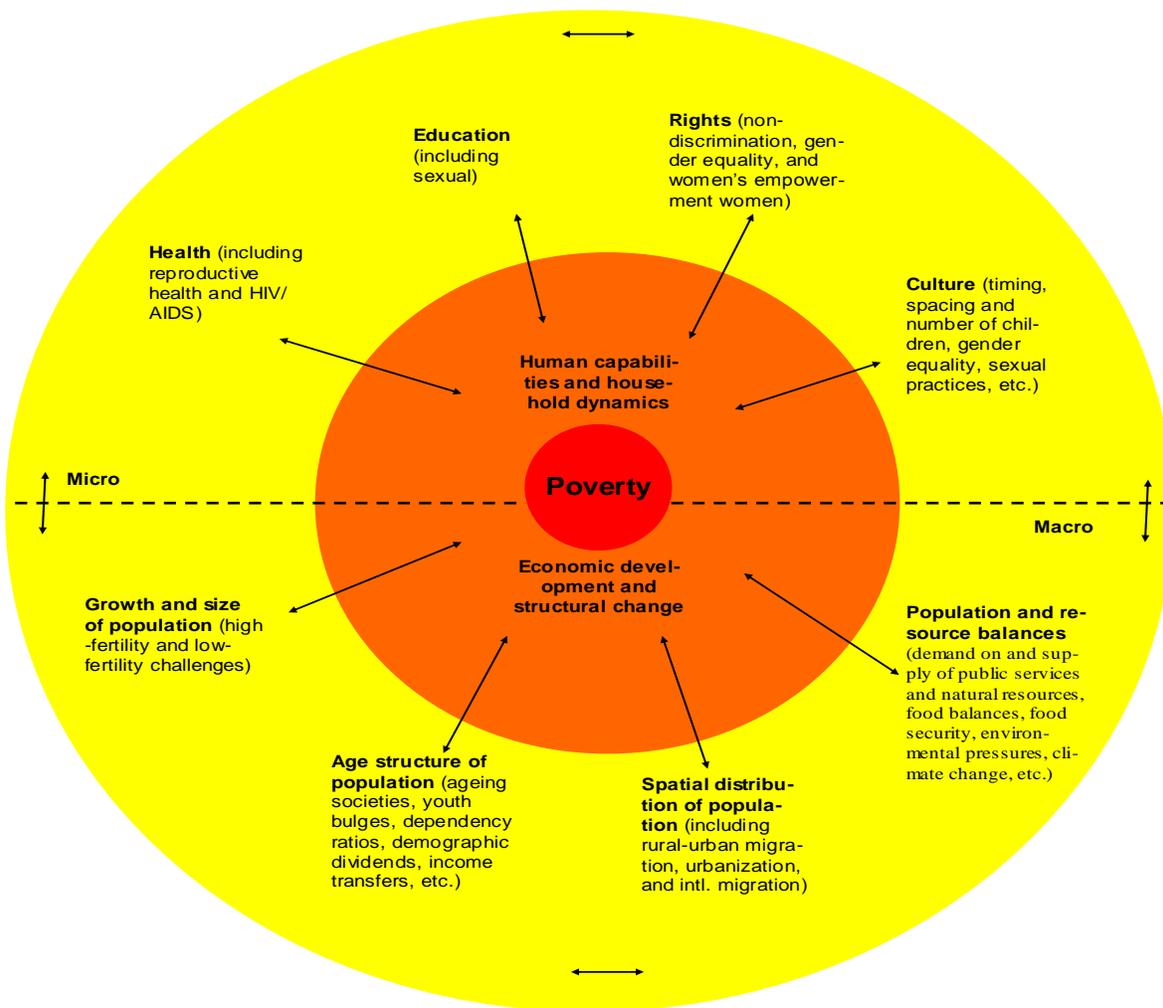
Social transfers – cash or in kind, unconditional or conditional – can help to establish social safety nets that either lift people out of extreme poverty or prevent them from slipping into poverty.<sup>x</sup> While social transfers, including the provision of free health and educational services, are desirable to promote social cohesion and integration, least developed countries find it difficult to provide such transfers, as they have extremely limited scope to increase government spending, owing to low income, and would face a large demand for social transfers, owing to widespread poverty. External assistance is necessary to resolve this dilemma. Within its mandate UNFPA can make several meaningful contributions to the provision of a social floor promoted by International Labour Organization (ILO), which must be seen as complementary to the contributions made by other UN agencies, as well as regional and bilateral partners.

However, it must also be recognized that while social transfers are an important and effective means to alleviate poverty in the short run, sustainable long-run poverty reduction has to be based on structural change, particularly those that allow for the generation of decent, productive and remunerative employment. The creation of productive and remunerative employment requires growth- and employment-oriented economic policies, on the one side, but it also requires the empowerment of the poor, the disadvantaged and the marginalized, on the other, through the investment in their human capital. In addition, the capabilities approach highlights the importance of ensuring that other resources are available and that the capabilities of humans are furthered in correspondence with their needs.

In order to think about poverty reduction in a more systematic way, it may be helpful to display the different factors and interventions in the form of a set of concentric spheres (Chart 1). At the most immediate level, represented by the core, the relevant poverty concept is income poverty, as used for measuring progress with respect to MDG 1, and its reduction is associated with actions that seek to increase the income. MDG 1A, which focuses on a rise of household income/consumption, is therefore appropriately complemented by MDG 1B, which focuses on employment, and MDG 1C, which focuses on food consumption. Interventions that are typically being implemented to this effect involve, inter alia, conditional cash transfer programmes, micro-credit programmes to improve the access of the poor to finance, technical assistance programmes to poor farmers, to improve production technology and employment generation programmes.

Widening the poverty concept to the second layer, it can be understood either as the lack of economic opportunities, associated with lack of economic development (at the macro level) or the lack of human capital, which is closely associated with health and education (at the micro level). Economic opportunities at the macro-level are linked to more general processes of economic development and structural change, which, in turn, depend on capital accumulation and regeneration, the mastery of new technology and know-how, the diversification and upgrading of economic activities, and ultimately a rise of productivity. To these ends, countries will need to pursue policies that support productive investment, which is the main driver of economic growth. But - importantly for UNFPA - while economic opportunities are influenced by economic policies, they are also strongly influenced by population dynamics. Changes in the size, age structure and location of populations have significant implications for the growth and distribution of economic resources, and hence on poverty.

**Chart 1:**  
Population-poverty linkages\*



\* The chart is a stylized representation of population-poverty linkages; it does not provide a comprehensive list of population issues that affect poverty and it fails to illustrate that many population issues are themselves linked with each other (e.g., culture or education on the one side, and the growth and size of population on the other). Furthermore, the chart focuses solely on linkages between population issues and poverty: it acknowledges but does not depict the influence of many other factors on human capabilities (e.g., food security and shelter), or on economic development and structural change (e.g., growth-oriented macroeconomic policies, stable financial

Furthermore, the dynamics at the macro level are closely linked to dynamics at the micro level. For populations to find employment requires not only that countries pursue sustainable growth and employment-oriented economic policies, but also that they strengthen the employability of the unemployed and underemployed. Beyond this, it includes the active empowerment of the disempowered and marginalized aimed at strengthening their employability. This requires investment in health and education. The ability of women to realize both their productive and reproductive capacities and preferences, for example, is fostered by universal access to SRH services. But in addition, the employability of persons is influenced by the overall environment, including the legal system and its capacity to discourage discrimination.

The outer layer or sphere refers to a wide range of processes and interventions in which development agencies engage and that are relevant to the poverty processes in the inner layers of Chart 1. Most of the contributions that UNFPA can make - and has made in the past - to poverty reduction are founded on activities that are situated somewhere in this outer layer. While their direct rationale may be at the micro level, some of their largest poverty impacts have actually been at the macro level and based on long-term processes. UNFPA does contribute directly to policies at the macro level, with respect to internal migration, ageing or urbanization (e.g. advocating for the need of planning ahead for the rapid urban growth in order to prevent slum growth), but most actual interventions are situated at the micro level, e.g. improving access to family planning or more broadly SRH. However, while these interventions are focused on the micro level – individuals and households – they have implications for the macro level. Individual interventions in the area of SRH, for instance, can add up to significant changes in an entire health care system.

Although most of the direct interventions that make up UNFPA's mandate are concerned with MDG 5, the linkages between UNFPA's mandate and poverty reduction (at the micro or the macro level) may operate through the other MDGs, be it health, education, or the empowerment of women. This is highlighted by the connecting arrows that link the components of the outer layer of the diagram. In addition, one might argue that data generation and analysis, in the context of UNFPA's activities in Population and Development, constitute a third layer of contributions to poverty reduction. However, as these contributions mostly affect the effectiveness of interventions, e.g. through appropriate focalization, rather than being linked to poverty in a causal manner, they will be considered in the last section of this paper.

A recent review (5) states the following points for the relationship between ICPD and the MDGs:

- Population and RH programmes and policies that reduce the unmet need for family planning as set out in the ICPD promote welfare directly and will help promote the achievement of the MDG of reducing poverty in developing countries.
- The main effects will be felt only after a level of development is achieved at which desired fertility falls. Until then, individual workers are inevitably forced to devote much of their earnings to care of their young dependents.
- The beneficial effects on poverty reduction require appropriate policies that promote employment and savings and that channel savings into productive investments.

- When population and RH programmes are not based on individual choice, they are not optimal from a poverty viewpoint, as they cause indirect welfare losses, exactly because they limit choices.

While UNFPA focuses largely on micro level issues, it must continue to give attention to their macro level implications. A reduction of fertility rates, for instance, has significant implications for age-structural transformations. And while there is little policy-makers can do to influence some demographic changes, such as the age structure of the population, in the short run, policy-makers will need to account for structural changes in long-term development and Poverty Reduction Strategies. A case in point is the high rate of rural-urban migration, and the rapid growth of urban centers in many developing countries. If this trend is not appropriately anticipated and managed, it is difficult for policy-makers to seize associated opportunities and reduce risks. Many countries are unable to use their census data to analyze changes in population dynamics. The major efforts tend to be focused on getting the data, producing analytical reports and not going the extra mile of saying concretely this is what it means and engaging fully in debates and advocacy. This is one of the areas in which UNFPA could do more to be relevant for Poverty Reduction Strategies.

## 2.1 LINKAGES AT THE INDIVIDUAL AND HOUSEHOLD LEVEL (MICRO)

### *2.1.1. Pathways through which UNFPA support has an impact on poverty*

At the micro level, there are several ways in which the relevance of UNFPA's mandate to poverty reduction should be highlighted. The details of these mechanisms and their supporting evidence will be discussed below, but for now it is sufficient to point out that UNFPA contributes to poverty reduction, as defined by MDG 1, as follows.

In support of MDG 1A (the reduction of poverty through higher disposable household income), UNFPA's contribution passes through the following intermediations:

- Reducing household dependency ratio by providing access to family planning;
- Reducing the risk and financial burden of disease to households by promoting access to health care;<sup>xi</sup>
- Providing services to poor populations that would otherwise come with out of pocket cost;
- Possibly, family planning also promotes increased investment in children (24), although the evidence in this respect is not very consistent.

In support of MDG 1B (reduction of poverty through employment), UNFPA promotes the empowerment of women and the development of human capital. Specifically, the Fund promotes:

- The empowerment of women to take charge of their lives and participate more actively in economic life, as well as political, social and cultural life more generally. UNFPA helps to empower women by providing them with the opportunity to balance reproductive and productive considerations, plan family sizes and avoid unwanted pregnancies. Furthermore, UNFPA empowers women, by fighting against gender-based violence and harmful cultural

practices, which keep women from taking charge of their lives and consequently from being in a better position to improve their poverty status. Taken together, these actions can bring about changes in the female labour supply.

MDG 1C (reduction of poverty through appropriate food consumption), is also promoted by:

- The empowerment of women. The role of women in households has a considerable effect on both food production and demand for food. Larger families require greater supplies of nutritional inputs, which can challenge the ability of the poor to improve individual sustenance. Such challenges are often insufficiently offset by the food and income generation gains additional family members can provide, particularly where education and opportunities are constricted; at the same time, closely spaced births reduce the nutritional status of both mothers and their children, and low birth weight is associated with higher child mortality and shocks to physical and cognitive development. Direct and indirect impacts reduce welfare.

However, while some of these actions can help to reduce poverty, they will not inevitably have this result. If appropriate, support to poor people will help strengthen their capabilities, but this alone will not lift them above the poverty line. For example, the mere access to RH, including family planning and safe delivery, does not ordain any particular immediate outcomes, but it constrains the capability set from which individuals can choose their outcomes. Individuals must find ways to effectively utilize their acquired capabilities, and societies must support individual efforts by eliminating all forms of discriminatory practices. The same is true however for education, and many other interventions aimed at building human capabilities.

### *2.1.2. How women's empowerment is linked to poverty reduction*

Gender issues are relevant to poverty reduction in several ways. At the macro level, faster reduction of gender inequality would increase economic growth, e.g. in the case of South Asia. A specific area of intervention at the micro level which could yield important dividends for poverty reduction is the promotion of “reconciliatory policies”, to allow women to reconcile their productive and reproductive roles, thereby increasing the total income of poor households. In developed countries there is considerable evidence that providing affordable and reliable child care is crucial to women’s labour force participation, particularly in the formal sector. Many countries have also adopted flexible work patterns that also impact on women’s economic participation. A study based on 14 industrialized countries found major differences between countries for the employment-hampering effect of having children aged 0-2 or 3-5. Not much empirical work exists for developing countries, but there is evidence that in Latin America and the Caribbean up to 60% of the reasons keeping women off the labour market are related to reproduction (both listed under 14).

**Box 2:  
What's the evidence on population-poverty linkages?**

Because population-related issues are typically located somewhere in the outer layer or sphere and only indirectly related to income/consumption poverty, it is difficult to demonstrate a causal relationship between changes in population and RH issues on the one side and changes in poverty levels on the other, especially since there are many other intervening variables. Nonetheless in the past few years, there have been several attempts of consolidating evidence in this area (2,6,7). According to (2), the evidence at the household level is strongest with respect to the health effects of investments in RH. Educational effects of RH are somewhat harder to demonstrate, whereas the evidence for overall effects on household well-being and consequently poverty is the least abundant, particularly with respect to impacts such as those of pregnancy-related mortality and morbidity on the overall well-being of households. The following outlines more specifically through which mechanisms the effects mentioned above operate, focusing primarily on those for which sufficient evidence is available and that are quantitatively significant. The following table attempts a quantification of the impacts and a summary of the evidence available.

MICRO EFFECTS (HOUSEHOLDS AND INDIVIDUALS)	MACRO EFFECTS (SOCIETAL LEVEL)	
<ol style="list-style-type: none"> <li>1. The elimination of unwanted fertility may reduce poverty in some countries as much as their current anti-poverty programmes (7,9)</li> <li>2. Smaller families are more likely to rise out of poverty (10)</li> <li>3. AIDS morbidity is a major contributor to poverty, particularly in Africa (11)</li> </ol>	<ol style="list-style-type: none"> <li>1. Countries with higher birth rates have lower economic growth rates (22,23)</li> <li>2. Countries with higher gender inequality have lower economic growth rates (25)</li> <li>3. Age-Structural Transformations are responsible for a substantial portion of the recent poverty reduction in some countries, due to the demographic dividend (26,27,28,29,30)</li> <li>4. Remittances of migrants provide a major contribution to poverty reduction in some countries (32)</li> </ol>	<b>Strong Effects</b>

<ol style="list-style-type: none"> <li>1. Adolescent motherhood causes poverty by diminishing the educational qualifications of adolescent mothers (9,12)</li> <li>2. Birth-spacing of at least three years reduces child malnutrition (13)</li> <li>3. Policies to reconcile productive and reproductive roles increase the income generation capacity of women (14)</li> <li>4. Lower fertility creates more income generating opportunities for women (15)</li> <li>5. Apart from their fertility effects, FP programmes also promote the labour force participation of women (16) and other poverty-reducing effects (17) in other ways</li> <li>6. Old-age pensions and other social transfers reduce the poverty not only of pensioners, but of their families (18)</li> </ol>	<ol style="list-style-type: none"> <li>1. Rural-to-urban migration tends to aggravate urban poverty in the short run, but to alleviate overall poverty (31)</li> <li>2. Service distributions that do not correspond to population needs aggravate poverty, particularly in rural areas (33)</li> <li>3. Irregular migration status may aggravate poverty (34)</li> </ol>	Weak Effects
<ol style="list-style-type: none"> <li>1. SRH expenditures other than HIV/AIDS have a major impact on poverty through catastrophic health costs (19)</li> <li>2. Smaller families tend to improve the educational performance of children (20,24)</li> <li>3. The death of a mother tends to propel the entire household into poverty (2,21)</li> <li>4. The costs associated with violence against women are a major cause of poverty at the household level (8)</li> </ol>	<ol style="list-style-type: none"> <li>1. Lower dependency ratios stimulate household savings and thereby contribute to economic growth and poverty reduction (35)</li> <li>2. Female-headed households are systematically poorer as a consequence of gender discrimination (36)</li> <li>3. The ageing of populations in countries with pension systems based on savings generates a second demographic dividend (37)</li> </ol>	Insufficient Evidence
<p>Note: The numbers refer to the list of comments and publications in the Annex.</p>		

In addition to these factors, the participation of women in the labour force of low-income countries is often undermined by the vital roles they play at home, including the collection of fire woods and the fetching of drinking water, particularly in rural areas. While these are extremely vital and valuable functions, they are undervalued unpaid functions, which effectively confine women to the household and to informal economic activities and prevent their participation in the formal labour market where they could earn a wage. Social investments to create more time for productive employment, e.g. by connecting houses to electricity grids and water supply and by reducing the transaction costs associated with an undeveloped transport structure, would also help greatly. Most of the necessary interventions to this effect fall outside the population and SRH domain, but UNFPA should leverage resources as well as benefits from an inter-sectoral approach. Decisions related to infrastructure would give due consideration, in addition to their economic functions, to how they will impact on poverty reduction and lead to the empowerment of poor people, especially women. By ensuring that decisions about electricity and roads, for example, are made with regard for their implications in expanding access to educational and health (including SRH) services for marginalized groups, they would respond to equity requirements and would strengthen the capabilities of the poor.

The poverty implications of gender violence should be explored more systematically. In recent years, there have been several attempts to evaluate the economic costs of gender violence (8), but to a large extent these evaluations have been at the aggregate level and have not specified to what extent the situations of gender violence affect the incomes of the women or their families and hence their poverty status. As was pointed out earlier, high social or economic costs, even when stated in monetary terms, are not synonymous with poverty. Nevertheless, there is every reason to presume that their poverty impact may indeed be significant. In countries where sons are strongly preferred over daughters, poverty may also increase as a consequence of the tendency to have more children than are actually desired, just to attain the minimum desired number of sons. In contexts where women are more empowered, this is less likely to happen.

Within its existing mandate on gender issues, UNFPA is well positioned to support poverty reduction efforts. It has been shown that households where women have a larger say in the redistribution of resources tend to allocate a larger share of resources to health and education. Hence, through its efforts to empower women, UNFPA helps to ensure that a larger share of the social transfers is used to support the most vulnerable household members and thus has a stronger poverty reducing effect. Furthermore, through its efforts to promote health and education, UNFPA helps to build the human capital of the poor and thereby supports their capacity to more actively participate in the labour force, as well as social, cultural and political life more broadly.

### *2.1.3. How RH is linked to poverty*

Universal access to RH is linked to poverty in several ways. The following focuses on linkages for which the impact on poverty reduction can be documented with evidence.

The benefits of family planning and SRH programmes resulting from their effect on fertility (discussed in the next section) have historically been the most publicized, but there are also indications that they may improve women's health, productivity and economic prosperity in

other ways (17). Poor health and nutrition due to poverty during their own childhood and adolescence mean that pregnant women have higher risks of maternal and child morbidity and mortality. This is compounded by early childbearing.

Conversely, one of the events that can push a household into poverty is a major episode of illness, particularly of one of its active members, resulting in so-called “catastrophic health expenditures” (19). There have been attempts to quantify this effect, suggesting that it can be substantial, even though the estimates vary a lot. In the case of AIDS, the effects are particularly crippling. Less evidence is available on the costs associated with insufficient SRH care, unintended pregnancies for example are also associated with market costs, as mentioned before. A high share of out-of-pocket health expenditure can be a major obstacle to achieving poverty reduction and the MDGs. Thus, in this respect, moving to the establishment of prepayment schemes (e.g. social health insurance) and pooling risk across individuals while putting in place incentives to promote the efficient and responsive provision of care should go a long way in curbing this kind of poverty risk. On the other hand, improving the general health conditions of the population and ensuring that basic health services are freely available can also make an important contribution.

The familiar argument that family planning favours investments in the education of each child has been the object of some controversy in recent years, in part due to methodological considerations and in part due to the precise nature of the relationship being established. Traditional analyses (e.g. Lloyd in 20) that link the educational performance of children to the number of children in the household have generally found a weak or moderate negative relationship between the two. But more recent econometric studies have cast some doubts on the methodological assumptions<sup>xii</sup> that underlie these traditional analyses and found that, when these assumptions are relaxed, the relationship tends to become statistically insignificant. On the other hand, just looking at the number of children in the household may be too limited a way to frame the relationship. Researchers from the University of Nijmegen (Smits and Longwe in 20), among others, have found that if other reproductive issues are taken into account (e.g. existence of short birth intervals, presence of a young sibling, mother’s pregnancy), these contribute significantly to the effect of family planning on educational performance.

Other researchers have also suggested that family planning may have multiple effects beyond its mere impact on fertility levels. Some have found statistically significant associations between family planning interventions and improved economic security for families, without detailing the specific pathways through which the relationship operates. A recent study with Matlab data in Bangladesh (16), for example, found this relationship,<sup>xiii</sup> but does not specify if it is due to any of the factors mentioned above or to yet another interaction, having to do perhaps with the higher labour force participation or economic productivity of women using family planning. The available evidence so far does not allow solid conclusions as to whether other factors, beyond smaller family sizes, account for some of the findings.

#### *2.1.4. How reducing unwanted births is linked to poverty reduction*

As was noted in the previous paragraph, it is not necessarily true that all beneficial effects of family planning are associated with smaller family sizes. However, even if this were the only

relevant effect, it would still be substantial, as this section will show. The number or the proportion of unwanted births are higher among the poor, but more important is that unwanted births actually *increase* poverty, in several ways. Fewer (unwanted) children in the household imply a lower dependency ratio, i.e. fewer mouths to feed with the income earned by the same number of adults. In addition, fewer dependent children to care for make it easier for women to generate income by finding employment outside the home (15) or gainful employment from the home (home-based businesses), even though it should be borne in mind that the relationship between fertility and female labour force participation is complex and controversial. The combination of both effects has been estimated for the cases of Honduras and Colombia (7,9). The results suggest that the effect on poverty of eliminating all unwanted fertility would be equivalent to raising the incomes of the poor by 10-20%. In the case of extreme poverty, the effect can be even larger, exceeding 20%.<sup>xiv</sup>

There is also evidence that households with fewer children have higher intra-generational mobility rates. For example, urban Nicaraguan families with little education and 4 or more children living in extreme poverty in 1998 had a 57% chance to continue living in this situation in 2001, but those who had fewer than 4 children had only a 36% chance to continue in extreme poverty. More recently, higher upward mobility of families with fewer children was also found in Nairobi slum areas (10). To this end, commodity security is of the essence. It is estimated that if modern contraceptive services were available to all 200 million women with unmet need for contraceptives in the developing world, the number of unplanned births would be reduced by 82%.

#### *2.1.5. How investments in disease prevention, particularly of HIV/AIDS, are linked to poverty*

As was mentioned previously, the effects of catastrophic health expenditures can be particularly severe in the case of AIDS. AIDS can drive households into poverty for a number of reasons, including loss of income and property, while having to spend money for health care and funeral costs. Children may need to drop out of school and, especially if they become orphaned, are less likely to complete primary education. In this case, the effects are particularly crippling because AIDS affects adults in the prime active ages, tends to require prolonged expenditures, and ultimately brings about a large number of orphans. According to World Bank estimates, by 2010, there will be 20 million children who have lost a parent to AIDS in Sub-Saharan Africa alone.

Disease affects poverty not only at the micro level, but also at the level of the economy as a whole, where economic growth rates may suffer systematically as a consequence of major epidemics. World Bank estimates suggest that when the prevalence of HIV/AIDS reaches 8% – which it is today in 13 African countries – annual GDP growth falls by about 1%. For high-incidence countries the cost can be much higher: Swaziland and Botswana had estimated losses of 2.8% per year due to HIV/AIDS between 1992 and 2002; the losses in Zimbabwe, Lesotho, South Africa, and Namibia were all above 2% per year for the same period (11). The relevance of an increase in these rates because of HIV/AIDS has other economic implications. In addition to the reduction of labour supply, there is a decline in productivity as a consequence of increased morbidity. UNFPA's role in reducing the poverty impacts associated with HIV/AIDS has to do primarily with the prevention of HIV infection and with limiting the possibilities of Mother-to-Child Transmission.

### *2.1.6. How the better use of available household resources is linked to poverty*

Similarly, there are several possible interventions with regard to the conversion of income into actual capabilities and wellbeing. One might think that larger households have greater economies of scale, but because over 70% of consumption/income near the poverty line is food consumption, there is less room for such economies. To the extent they exist, they are countered to a much greater degree by the adverse effects of crowding and resulting risk of infection and by the waste of resources that occurs when closely spaced births lead to higher infant mortality. This makes it more costly for these households to generate an additional household member, even if the economic context favours a relatively large number of children, e.g. because children represent an investment for the older years of the parents. This, in turn, makes it more difficult for households to rise out of poverty. It has been suggested that much can be done to reduce inefficiencies by providing information on nutrition and basic hygiene. Obviously, better SRH care is also an important ingredient. In particular, interventions to guarantee the spacing of births by at least three years have been shown to significantly reduce child malnutrition (13,23).<sup>xv</sup>

## 2.2. LINKAGES AT THE SOCIETAL LEVEL (MACRO)

Changes in the size, age structure and location of the population have direct implications for the level and redistribution of economic resources. At the macro level, two major issues are the relationship between population growth and economic growth and, linked to that, the effects of age-structural transformations.

### *2.2.1. How population growth is linked to development and poverty*

By contributing to fulfill unmet family planning needs, UNFPA contributes to a reduction in population growth in developing countries. While a population growing at a moderate rate can help to stimulate economic growth, rapid population growth can reduce per capita growth. Whether population growth positively or negatively affects per capita income is a question that has often stirred considerable controversy. Inverse correlations between demographic and economic growth have been difficult to demonstrate, but this is in part because many of the early models were not correctly specified, e.g. because they did not distinguish between the effects of fertility and mortality. In a more recent study of 86 countries, fertility and mortality effects, duly separated, have been credited with causing 21% of the average economic growth of 1.5% between 1960 and 1995. In terms of poverty reduction effects, it was estimated that the average poverty incidence in 45 countries would have fallen by one third if the crude birth rate had fallen by an additional 5 per 1,000 in the 1980s (22,23).

A recent overview of the role of health improvements on economic growth (24) cautions that the effects of the former on the latter may be relatively modest because health improvements may not be accompanied by a fall in numbers of children. This is because more children survive and more women reach child-bearing age. However, to the extent that the ability to exercise reproductive choice has resulted in consistently lower fertility rates across different contexts, this reduction has in turn been associated with higher economic growth. The economic growth argument is not limited to mere population growth. Economic growth–fertility linkages are not

enough to establish a fertility-poverty associating since economic growth is a necessary but not sufficient condition for reducing poverty, if the income distribution is very unequal. However, since a skewed income distribution also tends to be associated with high fertility rate differentials across different income segments, the case for fertility reduction (i.e. exercise of reproductive choice) and poverty can hold even in these unequal contexts. It has also been suggested that faster reduction of gender inequality, inter alia, would enhance economic growth, e.g. in South Asia, where this reduction has been slow. If South Asia had advanced as rapidly as East Asia, some argue that its annual economic growth between 1960 and 1992 might have been higher by 0.7 percentage points (25).

Historically, much emphasis has been placed on the presumably higher savings in households with fewer children (35). This may be a relevant factor in Asia, where household savings rates have historically been high, but Latin American economists have typically been skeptical about this link in the context of the LAC region, where household savings are typically low.

In turn, population growth not only affects the level of per capita growth, it also affects the distribution of economic resources. In countries with rapid population growth, economic returns to labour tend to fall faster than returns to capital, thereby increasing income inequality. This is likely to have contributed to a low rise of wages in countries with a rapidly expanding and essentially unlimited supply of labour. A large and growing labour force, in other words, can effectively hamper poverty reduction efforts. Another way in which a growing population can impede poverty reduction efforts, is by encouraging a constant sub-division of agricultural plots and land, which is associated with a decline in land and labour productivity.

More generally, there is an emerging consensus that programmes impact on poverty alleviation can vary considerably across countries, regions, districts and households, driven by a variety of factors, such as the following:

- Asset ownership systems, and female property rights;
- Rates of HIV and beliefs about risks of premature death;
- Sex ratios, son preference and gender bias;
- Education;
- Population age structure;
- Quality of services;
- Level of unmet demand for RH services;
- Resource constraints (particularly ground water);
- Political factors (wars, genocide);
- Income distribution.

As a consequence, poverty alleviation may not be a quick win, as investments in health and reproductive health may take time to reduce poverty and impact the distribution of income (24).

## 2.2.2. *How changes in age structures and ageing are linked to poverty reduction and development*

### *Young people*

The ICPD Programme of Action recognizes two challenges of age structural transformations, namely the challenge of absorbing a rapidly growing number of young people in the labour market, and the challenge of catering for an ageing population, at the other end of the spectrum: *“The unusually high number of young people, a consequence of high fertility rates, requires that productive jobs be created for a continually growing labour force under conditions of already widespread unemployment. The numbers of elderly requiring public support will also increase rapidly in the future” (ICPD Programme of Action 3.15).*

The increase in the number of people in active ages (15-64 years) compared to inactive ages (notably the 0-14 year age group), has been widely publicized as the “demographic bonus”. It has been suggested that this bonus - or dividend or window of opportunity as it is sometimes referred to - explains up to one third of Asia’s economic miracle.<sup>xvi</sup> In principle, Sub-Saharan Africa could also benefit from a demographic bonus as it has a very youthful population, but for countries to reap this bonus it is equally important the youthful population finds productive and remunerative employment, as discussed in more detail below. Furthermore, numerous countries in Africa are confronted by an erosion of their labour force because of the rapid spread of communicable diseases. HIV/AIDS, in particular, leads to a considerably cut-back and many fall-outs in the working age population (11). Nevertheless, it has been argued that demographic projections of the age structure and other characteristics, especially when disaggregated at the local level, provide the best information available on long-term human resources and demand and that the fertility decreases underway in the poor countries of today will cause them to catch up with developed economies in which the growth process will stagnate due to the growth of the retired population (30).

Although fertility decline can boost economic growth and help to reduce poverty, the poverty effects also depend on where fertility decline takes place. In situations where the fertility amongst the poor households is declining at a slower rate than fertility amongst non-poor households, the poor population will grow in relation to the non-poor population, although not necessarily in numbers. In Brazil, for instance, it was estimated that if fertility of poor households declines at the same rate as the fertility of non-poor households it will reduce poverty by 4-6 percentage points by 2015. If, on the other hand, the fertility of poor households declines at a faster rate to converge with the already low fertility level of non-poor households, it can reduce poverty by 10-14 percentage points by 2015 (7).

The “youth bulge”, which is often blamed for the difficulties in reaping benefits from the demographic bonus, is really more appropriately interpreted as a “childhood trough”. Its real policy significance consists not in that young people are increasing as a proportion of the potential labour force,<sup>xvii</sup> but in that they are increasing relative to the group under age 15. Thus societal resources previously targeted to young children (ages 0-9) increasingly need to be redirected to adolescents (10-19) and young adults (20-24).

## *Older adults*

In order to reach the MDG of halving extreme poverty by 2015, development frameworks and PRSs should also address the concerns of the elderly. Old age brings with it a reduced capacity for work, and increasing demand for health services, but also difficulties in accessing health care and other basic services. This increases the likelihood of older people becoming and remaining poor. Nevertheless, in most of Latin America and the Caribbean, Eastern Europe and elsewhere, the average incidence of poverty among the elderly is actually lower than among the population in general.<sup>xviii</sup> But in some areas where formal old-age security systems have low coverage, such as Southern and Eastern Asia (the Republic of Korea is often cited), old-age poverty is widespread, despite massive transfers from the younger generation to its elders.<sup>xix</sup> In such countries, there is cause for concern, particularly now that populations are rapidly ageing. When older persons receive pensions, these help not only the elderly themselves, but often the entire family. There is evidence that cash transfers to older persons reduce overall household poverty. For example, in South Africa and Lesotho (18), the old age pension is the main source of income in many poor households and has an important re-distributive effect. The same has been observed in rural areas of Brazil, after the 1989 Constitutional pension reform. The crucial question for countries is whether the people of working age will be able to make sufficient contributions to pension systems to prevent a rise of poverty among older persons, given that the coverage of contributory pension systems tends to be low and non-contributory systems are often not balanced by sufficient savings rates. The second question is what kind of support older persons will receive, and who will be the main provider of this support, in a context in which family networks are decreasing as a consequence of the demographic transition.

UNFPA may have a special responsibility toward older women. Although they are not always poorer than older men, they provide most of the intra family support and have less financial autonomy because formal social security systems based on past economic participation are biased against them. Consequently, they are among the main potential beneficiaries of non-contributory systems that recognize the intrinsic value of unpaid domestic work. On the other hand, older men, while better placed with respect to social security, tend to be more socially isolated and receive less family support than women.<sup>xx</sup> Consequently, depending on the specific design of the interventions, they may stand to gain more from programmes to promote inter-generational solidarity at the level of the extended family. This is another area in which many of the elements of UNFPA's mandate (ageing, gender, family structure, migration) come together.

### *2.2.3. The links between migration and spatial distribution with poverty*

There is an important but complex link between migration and poverty. Migration is primarily motivated by aspirations to improved economic and social welfare but most migrants are not the poorest of the poor. In the past, the negative aspects of migration (such as the losses for sending communities and the spread of urban slums) were generally highlighted. Poorer countries are marked by higher levels of rural to urban areas and this process tends to make overall poverty more visible, given the higher poverty levels characteristic of rural areas. However, the overall impacts of such movements are increasingly viewed in a positive light. The increase of urban poverty is offset by the reduction in the number of rural poor, and since urban economic mobility

is higher than in the countryside, the overall effect is usually one of poverty decline. Due to the diseconomies of scale that may arise in the very largest urban agglomerations, the benefits of urbanization are often largest when they are associated with the growth of towns.

People migrate from areas that are economically less dynamic to areas that are economically more dynamic and promising. This favours economic dynamism in receiving areas, improves the socio-economic conditions of migrants – no matter how destitute their new abodes may appear – and generates new forms of synergies between rural and urban areas through remittances and increased economic interaction. Although particular pockets of urban poverty are among the worst habitats in the world, on average urban poverty is less widespread than in the rural areas.

Much of the urbanization literature has also been concerned with the rapid growth of poor populations and of environmental degradation in cities due to rural-urban migration. In actual fact, most urban growth in developing countries is now due more to natural increase in the cities than to migration, a fact which alters the locus of public policy. Moreover, urban growth does not necessarily lead to deterioration. Whether urban growth generates improved conditions for human well-being or a rise in poverty strongly depends on whether policymakers anticipate and plan ahead for it. Indeed, urbanization and urban growth represent an important opportunity for development that goes well beyond simply focalizing programmes on the urban poor.

Cities already generate the huge majority of GDP growth due to their advantages of scale in a globalized economy. The same economies of scale apply to infrastructure and services, thus reducing the cost of social services in per capita terms. Moreover, cities provide many more opportunities for social participation and empowerment of different social groups. In particular, urbanization can be a powerful factor in creating conditions for women's empowerment. Participation in an organization allows them to reduce the vulnerability, insecurity and dependence which is even more typical in rural habitats. Finally, urban concentration can be helpful for environmental well-being, provided cities make a sustainable use of space and support sustainable economic practices. Accordingly, the 2007 SWOP emphasizes an evidence-based approach to examine challenges and opportunities associated with rapid urbanization. A background paper for the 2007 SWOP and a recent World Bank analysis (31) go as far as stating that on average about 15-20% of national poverty reduction in recent years has been due to rural-urban migration. Although this varies considerably from country to country, it nevertheless points clearly to the futility of policies that attempt to keep rural migrants from moving to the city and the need for proactive stances towards inevitable urban growth. Rather than discouraging migration to urban centers, countries should focus on sustainably managing the growth of urban centers.

As with internal migration, international migration presents both opportunities and challenges for growth and poverty reduction. Benefits include new investments, learning opportunities, professional competencies, brain gain and remittances that can contribute to poverty reduction (at the household level) and development (at the community level). The most direct link is through remittances. The funds which migrants send home help reduce poverty by providing families in countries of origin with additional income which enables them to invest in education and health, can be used to acquire consumer goods, make improvements to living quarters, or start up small businesses. Remittances often serve as a family's social safety net and can mean

the difference between living above or below the poverty line. In 2006, remittances worldwide were estimated at 250-400 billion dollars, exceeding official development assistance (ODA) and sometimes even foreign direct investment (FDI) flows; adding informal transfers, the numbers are likely to be higher. According to a World Bank study, a 10% increase in the share of remittances in a country's GDP leads to a 1.2% decline in poverty (32).

Challenges associated with migration include brain drain, heavy social cost for the people left behind, the spread of HIV and other diseases, the possibility of exploitation and abuse, particularly against women, and various pressures resulting from any influx of refugees and internally displaced persons (IDPs). According to the ILO, developing countries are currently experiencing a 10-30% loss of skilled manpower, with 75% of persons emigrating from Africa having a tertiary level education. The depletion of human resources in sectors such as health and education may present a challenge to development efforts and potentially contribute to increases in poverty. For example, Ghana has a 72.9% vacancy level for health specialists and Malawi a 52.9% vacancy level for nurses (32). Although migrants generally improve their economic condition compared with their home country, many may not entirely escape from poverty in their host countries. In the US, for instance, children having one parent with an irregular migratory status are three times more likely to be poor and seven times more likely if both parents are irregular (34).

In conclusion, the challenge is not so much to discourage internal or international migration, as it is to seize opportunities provided by such movements, even if the contribution of UNFPA is only to make these movements understood to governments and other UN agencies and to ask specialized agencies to do their part. To this end, it is desirable that the movement of people, like other types of demographic changes, be anticipated and appropriately accounted for in national development and poverty reduction strategies. As regards, international migration, policies must maximize its benefits while minimizing its costs. In accordance the ICPD recommends, amongst others, promoting conditions necessary to increase domestic savings and its channeling into productive activities, and the facilitation of return migration by adopting flexible policies, such as the transferability of pensions and other work benefits.

#### *2.2.4. The missing link: population, poverty and environment*

As concern with global climate change has quickened, interest in the role of population dynamics in environmental issues has also picked up. Increasingly vocal sectors are calling for more effective family planning programs in the hope that reducing global population size and rate of growth will alleviate the issue. Although, population dynamics are crucial in this debate, the fact is that the impacts of population size, rate of growth, composition and spatial distribution on environmental degradation are mediated by levels of development and patterns of consumption. This generates an enormous policy conundrum. Patterns of growth in developed countries are responsible for the major environmental threats to the planet but developing countries are anxiously trying to emulate these patterns and, if successful will magnify current threats of global change many times over. In this framework, the reduction of poverty, inevitably associated with increased consumption under current development models, would inevitably contribute to increase GHG emissions. But this should be part of the equation of development and climate change linkages, because all countries must have the right to develop. Meeting

desired fertility levels with better access to reproductive health would mitigate this problem somewhat over the long term but the main tradeoff between development as we know it and sustainability remains a challenge.

How do population dynamics affect the poverty/environment nexus? Environmental pressures and high fertility both aggravate poverty in less developed countries and regions. The poor are more likely to live in fragile ecosystems, both rural and urban, with increasingly difficult access to natural resources. Globally, 60% of poor populations live in ecosystems defined as fragile, with upwards of 80% in Latin America and the Caribbean, 60% in Africa and 50% in Asia (38). Population-poverty-environment linkages tend to be vicious cycles: poverty is linked to high fertility through higher rural labour demand, high infant mortality and gender inequalities. Population growth due to high fertility results in increased demand for limited food and environmental resources. The decreased per capita resource base in turn results in small, inefficient farm plots, soil fertility loss, and increased incentives for short term resource exploitation over longer term sustainability (39). Rapid population growth and increased population density in forest areas can cause deforestation through agricultural expansion (40). Deforestation results in increased vulnerability, particularly of the poor, to storms, floods and other disasters, for instance in Costa Rica, Bangladesh or Nepal, where deforestation has left low lying lands at greater risk.

These factors can also push people out of rural communities and into urban areas. Environmental factors have long been part of the migration calculation, though migration with primarily environmental causes has in the past been short-term and internal (41). Urban slum growth has however resulted in increased environmental vulnerability for the urban poor, given the prevalence of slum housing in flood plains and other insecure places (42). Fast-paced urban slum growth has contributed to deforestation due to increased demand for charcoal for cooking fuel, for instance in the DRC, Tanzania and Kenya (43). The two main population interventions that can break this vicious circle are the promotion of family planning in rural areas, particularly rural areas that experience environmental stress; and the acceptance of rural-urban migration as inevitable and consequently planning ahead for it, as most of the negative effects alluded to above are the results of poor planning, rather than migration as such.

In conclusion, climate change has rather perverse consequences from the viewpoint of poverty reduction. While population growth does contribute to carbon emissions, the highest growth rates tend to be among the poor, who contribute the least to emissions (44). The vast majority of carbon emissions have and will continue to come from wealthy countries and wealthy populations within countries with emerging economies (45). However, the current and future *impacts* of climate change threaten poor and vulnerable groups most, including women, children and the elderly, due to more limited resilience to destabilized livelihoods and living environments. Fast paced urbanization, and resulting growth in urban slums, has increased the number of poor people in places vulnerable to the impacts of climate change (42).

### 3. TOWARDS AN INTEGRATED APPROACH

From what has been said, the interventions that UNFPA is implementing in developing countries are having and will have an effect on poverty reduction. Most of these are not only or not even primarily relevant because they contribute to poverty reduction or to economic growth. They are important objectives in themselves, and have been recognized as fundamental human rights. They should therefore be an integral part of any development strategy, even though in this paper they have been looked at from the viewpoint of their poverty implications. A concrete proposal to integrate the different lines of action of UNFPA into a coherent strategy for poverty reduction should consider the following aspects:

- The size of the poverty impacts that can be expected from each line of action;
- The strength of the evidence available to support each of the relevant links;
- Their centrality within the UNFPA mandate and the ICPD PoA;
- The degree to which the lines of action complement, rather than duplicate those of other actors in this area;
- The synergies between them.

As was noted in the Introduction, the strength of UNFPA's contribution to poverty reduction does not reside in the strength of any singular population or SRH intervention, but rather in the multiplicity of mechanisms and synergies by which they jointly impact on poverty. That means that the list cannot be very short. Nevertheless, the following agenda identifies key interventions that seem to satisfy most of the above criteria:

1. Promote universal access to RH and particularly family planning;
2. Contribute to the prevention of the spread of HIV/AIDS;
3. Contribute to combating violence against women and help to remove obstacles to their gainful employment;
4. Promote social protection mechanisms that minimize the risk of catastrophic health expenditures associated with SRH issues;
5. Promote human settlement policies that anticipate population change, particularly urbanization and internal migration, maximize its benefits and minimize its potential negative impact on poverty;
6. Promote innovative ways to counter the erosion of traditional family support mechanisms for the elderly;
7. Support the transition to adulthood by promoting policies that promote adolescent SRH, education, life skills, and the insertion of young people into the labour market;
8. Promote data/research policies that make it possible for countries to have better information and knowledge in order to be more effective.
9. Maintain a strong presence in fragile and conflict-affected countries, where poverty may be aggravated by problems that require emergency interventions.

Not all of the items on this list satisfy all the criteria mentioned above to the same degree. Strong empirical evidence that documents major poverty effects is available for items 1, 2, 6 and, to a lesser extent, 4 and 5. As was shown in Section B, some of these effects are actually multiple. Family planning, for instance, can generate strong poverty reduction effects by reducing the

number of dependent household members whose births were actually unwanted and by making it easier for adult household members, particularly women, to generate income. In the long run, it is one of the factors behind the demographic bonus. But it also has more immediate effects, associated with the independence of women, i.e. a synergy with item 3. Removing financial barriers to universal access to RH, as a part of item 4, is essential to ensuring that the poorest, who are the most affected, have increased access to delivery care. Madagascar received technical assistance from UNFPA and additional resources to launch its exemption from fees policy for caesarean sections, and in Ghana, obstetric care is now included in the National Health Insurance Scheme.

A well-managed, integrated and functioning health care delivery system, that expands access to primary health care with an integrated package of reproductive health care, contributes to poverty reduction, citizenship and democracy if it reaches communities with information, education and counseling; assists individuals/couples to delay or avoid pregnancy; identifies risks, supports healthy births and rapidly responds effectively to obstetric emergencies. At the same time, this should be mirrored by strong governance and accountability mechanisms which are developed so that citizens, in particular, women, young people and vulnerable populations, are able to access quality services and exercise their reproductive rights in a transparent manner.

The experience of social participation should be seen as part of building democratic, gender-equal societies that respect the human rights of their citizens. UNFPA and its partners work to strengthen such capacities at the country level to include this dimension as a focal aspect of policies and programmes, even in decentralized health systems. These skills entail the ability to identify exclusion due to age, exposure to risk and geographic and cultural diversity. This also requires advocacy for regulations and policies in place that bring about the distribution of health-care resources on an equitable basis, and establishes risk-pooling from the rich to the poor and from the healthy to the sick that is underpinned by a transparent system, accountable to serve them.

In this respect, scaling up interventions that address the full continuum of care to improve maternal health is very linked to the integral performance of health systems and limited global progress to date should be considered as a failure of health systems to ensure universal access to a broad range of services that respond to both the needs and demands of citizens, underpinned by the principals of equity, quality and financial protection.

UNFPA leads work in HIV prevention by empowering women and girls, through education, economic opportunity and other effective rights-based programmes; supporting comprehensive male and female condom programmes; advocating for elimination of gender-based violence; engaging men and boys to adopt gender-sensitive attitudes and behaviour; supporting prevention among young people; applying comprehensive and rights-based approaches to HIV and sex work; supporting countries to improve their programme delivery in both SRH and HIV by identifying gaps and determining priorities for strengthening policies, systems and integrated service delivery.

As was also mentioned in Section B, the evidence for item 3 is much less abundant. Nevertheless, there seems to be sufficient *prima facie* justification for including it, also taking

into account the synergies of this item with several of the others. At present, UNFPA is supporting: a) Advocacy and support for combating violence against and discrimination of women, which constrains their participation in economic, social, cultural, and political life; b) Promotion of the empowerment of women and marginalized populations, which increases their chances of finding formal wage employment; and c) Empowering women, which has multiple beneficial effects for poverty reduction. As the lead United Nations agency on SRH, UNFPA has a strategic entry point to address gender-based violence, given the intrinsic linkages between SRH and gender-based violence. Addressing gender-based violence through SRH services, including HIV/AIDS programmes, is at the centre of the Fund's strategy on gender-based violence.

The evidentiary situation with respect to youth issues (item 7) is similar to that of gender. UNFPA should advocate the needs and interests of young people, promoting policies designed to: empower youth to think critically and negotiate risky situations; provide access to SRH services and information; connect young people to employment programmes; and recognize their right to a fair share of education, skills, and services. Several of these issues are already part of UNFPA's activities with respect to young people; one of the main challenges with respect to poverty reduction is how to tackle the crucial issue of youth employment.

With regard to item 5, UNFPA's focus on current rapid urban growth processes has been less consistent, yet it has been credited with helping to change the paradigm of public policy in this domain by focusing on the potential advantages of urbanization for development. Overwhelming anti-urban stances in countries undergoing urbanization are changing to more proactive approaches supporting the right to the city and the need to plan ahead for the land and housing needs of the poor in order to help cities realize their potential for poverty reduction and well-being of individuals. In respect to other key ongoing demographic transformations such as population ageing and its significance for labour force composition, social security and for the demographic dividend, UNFPA has played a less direct role in policy formulation but has financed wide-ranging activities in data collection and research that have contributed to clarifying policy options and needs.

Items 8 and 9 are of a slightly different nature as they are not directly associated with any specific population-poverty links. Their importance is strategic and derives primarily from their complementarity to the other items. Data are strategic to give substance to UNFPA's role as an anti-poverty agency. Not only do they provide an opportunity for strategic and evidence-based policy advice on poverty issues and for advocacy,<sup>xxi</sup> but they should also provide an appropriate M&E framework, directed at specific poverty impacts, in addition to the more traditional health outcomes. Just as an example of an indicator that allows a poverty interpretation (because of the link identified in 2.1.4), one might think of the wantedness of pregnancies by poverty status and household size. Finally, data can be instrumental for the optimum targeting of poverty interventions, be it in the form of poverty maps, census records, or registration systems.<sup>xxii</sup> The appropriate focalization of social interventions and particularly social transfers has created a new renewed demand for such systems. As a consequence, social transfer programmes in many countries are investing in special registration systems of their beneficiary populations that bypass the more traditional civil registration systems. A greater integration of both could be highly beneficial to the delivery and appropriate targeting of services.

More generally, UNFPA's interface with this level of policy formulation stems from the critical importance of population dynamics for public policy. A key recommendation in the PoA for UNFPA work has been that countries should "integrate population dynamics into development planning" at all levels. This requires up-to-date knowledge and understanding of changes in population dynamics. Population growth rates are falling, age structures are changing and people are moving to urban areas, according to patterns that are differentiated regionally and socially. This creates both demographic obstacles and opportunities for development and poverty alleviation. Interactions between different components of population dynamics, as well as with other societal changes, generate specific needs and opportunities for public policy at both the aggregate or macro level, as well as at the micro level of individuals, families and households.

The world is changing, with or without work towards the MDGs. Some of these changes are probably "good" and some not: the adjustments to smaller family size, urban life, nuclear families, etc. all have both desirable and undesirable consequences. Part of UNFPA's job should be to help developing countries move with and adjust to their changing societies with adjustments in policies. Such policy adjustments will depend on better reporting and monitoring – not just statistics but analyses of what is happening where, when and why – along with suggestions on how governments can adapt. An important contribution of the population field in this connection comes from its capacity to take a long-term view and to construct long-range scenarios. The inertial component of demographic trends lends them a predictability beyond that normally available in the social sciences. Hence, demographic scenarios, preferably broken down by sub-national units and population characteristics, constitute a necessary starting point for any attempt to assess medium and long range perspectives that determine social change.

As for item 9, there is little doubt that the impacts achieved by interventions in the key substantive areas (1-7) can be greatly enhanced if UNFPA is in a position to intervene at moments of crisis and post-crisis. This involves not only providing essential services to populations which were or have become deprived of them, but also helping to reestablish some degree of institutional functionality, e.g. through data systems. In Liberia, for example, UNFPA was responsive to the need expressed by the highest level of government to hold a Population and Housing Census in 2008, without which the government felt that the recovery effort from the civil war would be doomed to failure.

Clearly, the agenda defined above does not address every relevant aspect of poverty reduction that UNFPA might legitimately be involved in. Weak state institutions and governance, which result in poorly designed and implemented policies, are undoubtedly a major contributor to poverty. As the example in the previous paragraph demonstrates, UNFPA is sometimes in a position to help in this respect, either through data or by providing upstream support to institutional strengthening and policy design, especially in the health sector. The more general issues of governance, however, are largely outside its institutional mandate. Another major factor in poverty dynamics is international migration, especially through the generation of remittances (see Section B). However, despite the importance of the process, it is not immediately obvious how UNFPA can affect public policies that leverage this process to achieve the largest possible impact on poverty. The same can be said about UNFPA's involvement in research on the effects

of aging. While aging poses obvious challenges for pension systems and has direct implications for poverty, UNFPA is not directly involved in the planning and design of pension schemes<sup>xxiii</sup>

Apart from the lines of action that should make up UNFPA's anti-poverty agenda, there is the issue of *how* poverty should be considered within each of them. The issue of indicators was already raised. At present, UNFPA does not have an M&E framework that facilitates the measurement of poverty impacts; such a framework could be created. It is important however that such an M&E framework is based on sound analytical and empirical evidence on the linkages between interventions on the one side and poverty on the other. Its establishment would require a considerably increase of resources for the collection and assessment of data. Furthermore, it would seem that a poverty reduction perspective would require a broadening of UNFPA's focus on health impacts towards a focus on human capital. In addition to health, this means greater attention to the educational implications of UNFPA's work and to the obstacles that certain population groups (women, but also young people, older persons, and people with disabilities) face in their economic participation. The development of local poverty reduction indicators and targets – and local statistical, analytical, monitoring and evaluation capacity should be encouraged.

The Introduction mentioned the need for a concerted effort to restate UNFPA's mandate in a way that will bear out the actual ways and degrees to which its actions help to reduce the poverty of the populations it serves. UNFPA might consider the possibility of investing in a study or studies that can bring these issues out more and use the results for advocacy within the UN and with governments; demographic surveillance systems across the globe might provide such evidence. For example, the effects of birth spacing could be demonstrated either by examining panel surveys, similar to the one in Uganda, or working with demographic surveillance systems to establish the impact of birth spacing on whether households fall further into poverty or are able to maintain their consumption and under what conditions. Even in the absence of panel surveys, one might do propensity score matching<sup>xxiv</sup> to examine the role of birth spacing, household structure and household size. In this way we can begin to have a more informed debate on the role of UNFPA. Appropriate measures (with consensus) that demonstrate impact could further the UNFPA agenda. This would help UNFPA to define its future as an organization in a changing demographic context.

UNFPA's Guidance Note on *UNFPA's role in the Changing Aid and Development Environment: from Policy to Practice* (2009) clearly states that the emphasis of UNFPA's work should be on results and delivering better outcomes for development, including poverty reduction. Albeit a major challenge for all, the importance of aligning with countries' development priorities for poverty reduction, as spelled out in PRSPs and using their own institutions and systems, increases aid- and development-effectiveness and ultimately accelerates efforts to advance all MDGs. With this understanding of development and commitment to change, UNFPA is leading efforts at both the global, regional and country level to move away from stand-alone project approaches to more programmatic approaches and, in certain countries, strong involvement in sector wide approaches.

Building *Partnership* is the key to success, particularly in an area like poverty reduction, where UNFPA has little direct experience and where it necessarily has to team up with the World Bank,

ILO, UNDP, FAO, as well as local NGOs and civil society at large, while building upon the outcomes of the Paris Agenda and the Accra High level forum for Aid Effectiveness. Such partnerships should attempt to reduce the burden that development co-operation creates for local partners by combining efforts (for example, joint missions, collaborative research, common diagnostics, shared costs, etc.), easing administrative requirements (for example, simplifying, streamlining and harmonizing paperwork and procedures and accepting partner design for strategies and documents wherever possible), and coordinating agency approaches and actions. Agency structures and working methods, as well as M&E frameworks, may have to be adapted to the challenges and needs of poverty reduction partnerships (for example, strengthen field presence; enhance field-level decision-making flexibility; develop staff “facilitation” and consensus-building skills; increase transparency and accountability to other partners).

The new emphasis on partnerships for reducing poverty calls for a comprehensive rethinking of development co-operation practices. According to the OECD/DAC *Guidelines for Poverty Reduction* (2001), six principles should govern agency actions:

- Partnership approaches, which facilitate and strengthen local ownership, should be the basis for all development assistance efforts.
- National ownership of poverty reduction strategies, including locally-determined policies and priorities, should consistently be respected, promoted and supported in all interactions with partners.
- Agency support for a national poverty reduction strategy should be based on a sound assessment of the merits, drawbacks and trade-offs of the strategy’s approach.
- The active participation of a range of partners and the empowerment of the poor are vital.
- Better co-ordination and longer-term commitment can strengthen partnerships and increase impact.
- Development efforts should be monitored and evaluated with government partners and poor people themselves in order to assess partnership performance and to secure and maintain pro-poor effects.

More generally, a poverty focus requires that health objectives should not be seen merely as health objectives, but as a means towards the wider social goal of empowerment. Ultimately, overcoming poverty means widening people’s options, not only in terms of how they acquire adequate health, but also how they leverage adequate health in order to achieve their other capabilities.

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## ENDNOTES

<sup>i</sup> In some countries, like Kazakhstan, UNFPA has been the lead agency in poverty-related activities such as the poverty chapter in the national MDG report. However, due to lack of concrete guidance, this leadership does not always result in complementary population-based perspectives on poverty reduction.

<sup>ii</sup> Monetary poverty is defined as a household characteristic that describes households in which per capita income or consumption falls below some critical limit. For the purpose of monitoring MDG 1, this limit has been defined as one dollar per day, adjusted for purchasing power parities, to correct differences in the cost of living between countries. This figure has been modified subsequently to \$1.25, but the core issue of extremity of deprivation has been preserved. Additional measures exist to quantify the depth of poverty. Many countries use their own national poverty lines, which in the middle-income and high-income countries tend to be substantially higher than the \$1.00 or \$1.25 criterion.

<sup>iii</sup> Although the monetary and capability concepts of poverty are the ones most commonly used within the UN System, there are several others, such as the relative poverty concept used in many developed and middle income countries. In these countries, it can be argued that whether an individual or a household should be considered poor depends on a comparison with the rest of the population. Therefore, it is most appropriate to use a relative income criterion, e.g. 50 or 60 % of the median per capita. Other possible poverty concepts depend on an individual's subjective perception of his/her possibility to enjoy a decent living standard.

<sup>iv</sup> Human capital refers to the stock of competences, knowledge and personality attributes embodied in the ability to perform labour so as to produce. Traditionally, it is defined in terms of the attributes gained by workers through education and experience, but it also depends on the health status of workers. Human capital accumulation by the poor is only possible if a minimum level of health and well-being has been attained. The links between health and education help explain the important, long-term effects of nutrition and health on economic growth and implies that nutrition and health may play a causal role in the persistence of inequality and in the effects of inequality on growth.

<sup>v</sup> The numbers between parentheses refer to the evidence table in Box 2 and to the corresponding list of comments and publications in the Annex.

<sup>vi</sup> The issue here is not whether or not the deceased women represent a significant economic loss to their families, but simply the fact that maternal mortality - even if it does impact significantly on the poverty of the families affected (as it may, although there is not a lot of evidence) - is a very rare event in comparison to the extent of poverty in developing countries. The argument applies in the same manner to the death of male family members.

<sup>vii</sup> The chapter points out that eradication of poverty will contribute to slowing population growth and to achieving early population stabilization. Conversely, it states that efforts to slow down population growth, to reduce poverty, to achieve economic progress, to improve environmental protection, and to reduce unsustainable consumption and production patterns are mutually reinforcing and that slowing down population growth may buy time for the achievement of sustainable growth and poverty eradication. Its recommendations emphasize the need to promote sustained economic growth and the rights and economic participation of women, including family planning.

<sup>viii</sup> Recently, it was estimated that, for every dollar spent in family planning, 2-6 dollars can be saved in interventions aimed at achieving the MDGs for health, education and environmental sustainability (3). Earlier, the amount had been estimated higher, at 4-8 dollars, but because the year 2015 is approaching, the time over which the effects can mature has shortened now and 5 years is a very short time frame for a population intervention.

<sup>ix</sup> It is true that least developed countries are both the main locus of poverty and the main locus of conflicts and crisis. This however does not say anything about causality. Some may think that poor countries are poor because they fight and have poor governance, studies however show that economic crisis and poverty typically comes before conflict. Furthermore, these studies have shown that economic growth is not always negatively affected by conflict and malfunctioning institutions.

<sup>x</sup> These are non-contributory transfer programs seeking to prevent the poor or those vulnerable to shocks and poverty from falling below a certain poverty level. They can be provided by the public sector (the state and aid donors) or by the private sector (NGOs, private firms, charities, and informal household transfers). Some modalities are: cash transfers; food-based programs such as supplementary feeding programs and food stamps, vouchers, and coupons; in-kind transfers such as school supplies and uniforms; conditional cash transfers; price subsidies for food, electricity, or public transportation; public works; fee waivers, vouchers and exemptions for health care, schooling and utilities.

<sup>xi</sup> In this regard, it is good to reiterate that poverty reduction is not only about raising those who are poor out of poverty, but also about protecting the non-poor against the risk of falling into poverty.

<sup>xii</sup> Specifically, these studies claim that the relationship between the number of children and their educational attainment is simultaneously determined and that, therefore, traditional regression techniques that treat the latter as a consequence of the former tend to be biased.

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<sup>xiii</sup> Though initially near equivalent, within four years family planning use increased and maternal mortality declined. By 20 years into the programme, women reaching age 37 in the treatment area had one less child (15% reduction), longer birth spacing between second and third births (9 months longer), higher body mass indices (higher for her daughters as well), more improved water supplies, better child vaccination rates and more household assets (43% higher) and women's income (66% higher) than in the comparison sites.

<sup>xiv</sup> This fact has not been publicized enough, but it should be mentioned that in some cases the magnitude of these effects is similar or even larger than the impact currently being achieved by conditional cash transfer programmes, which are one of the main instruments of poverty reduction in several countries in LAC and elsewhere. It should be recognized, however, that the strength of the effect depends somewhat on the details of the poverty concept. It is strongest if poverty is measured in simple per capita income or consumption terms. If poverty is measured in terms of adult equivalent consumption, which makes households with many children appear less poor, the effect is less dramatic, but it still persists.

<sup>xv</sup> Note, however, that the strategy of promoting longer birth intervals, has to be reconciled with the promotion of the productive role of women, under MDG 1B. Unless they are compensated by a smaller total number of births, longer birth intervals lengthen the period during which women are restricted in their economic activities outside the home (it is about the same for a woman with 4 children at 2-year intervals and a woman with 3 children at 3-year intervals). This strategy may have to be complemented, therefore, by reconciliatory policies that will allow women to compensate for any time they would otherwise be out of the labour market.

<sup>xvi</sup> Although they are sometimes used interchangeably, the terms “demographic window of opportunity”, on the one hand, and “demographic bonus” or “demographic dividend”, on the other, are actually distinct. The first refers to an opportunity that may or may not be taken advantage of. The second refers to the result that can theoretically be obtained if it is.

<sup>xvii</sup> It is said that young people (15-24) are on the bad end of the demographic bonus, in that the relative increase of the 15-64 age group, which occurs in the demographic bonus, works against their labour force absorption. While youth unemployment in many countries is indeed higher than in other age groups, the bonus is due to the contraction of the lowest age brackets, not to the expansion of the 15-64 age group. In particular, the 15-24 age group in most countries is declining – or at least not increasing – as a percentage of the 15-64 bracket.

<sup>xviii</sup> Worldwide, the number of persons over age 60 living in poverty is estimated at 100 million, which represents 23.7% of the corresponding population in 2005, slightly less than the general poverty rate of 25% for the same year.

<sup>xix</sup> In addition, the elderly in East Asia often function as the “shock absorbers” of economic crises. See Mason et al. (2009). Generational effects of economic crises. Paper presented at the IUSSP Conference in Marrakesh.

<sup>xx</sup> For a specific and dramatic example of this, see Das Gupta (2010). Son preference and fertility decline in China: consequences for elder poverty. Paper presented at the 4th Annual Research Conference on Population, Reproductive Health, and Economic Development, Cape Town. In this paper, the author argues that the abnormally high sex ratios that have characterized China since the 1980s will ultimately lead to a situation in which older men will have no relatives to support them, so that during the later years of their lives they will be particularly vulnerable to poverty and social isolation.

<sup>xxi</sup> Quantifying the poverty reduction effect of expected population trends has implications for poverty target setting that governments should be aware of. If a 3% poverty reduction, for instance, is already implicit in current demographic trends, then clearly any goal for poverty reduction should be set beyond 3%. UNFPA can quantify these effects and bring them to the table as a population-based contribution to poverty analysis and poverty-reduction strategies.

<sup>xxii</sup> Spatial analysis also provides the basis for UNFPA's support to projects that seek to increase the access to emergency obstetric care (SRHB project with AMDD, now in 5 pilot countries, but soon to be expanded to 15-20) and, to a lesser extent, projects aimed at increasing access to family planning. At the local planning level, population data can make a major contribution to the strategic location of several other kinds of services, to make sure that poor people have an equitable access to them. Experiences with this already exist within UNFPA for the case of some Central-American countries.

<sup>xxiii</sup> UNFPA is involved in the National Transfer Accounts Project that examines these implications for the redistribution of societal resources to provide guidance on policy, including pension systems.

<sup>xxiv</sup> For an illustrative application of this methodology, see, for example, Jyotsna Jalan and Martin Ravallion (2003). “Estimating the benefit incidence of an antipoverty program by propensity-score matching.” *Journal of Business & Economic Statistics* Vol. 21.



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